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AT&T Interrogatory No. 21

State the U S WEST access charges or transport fees charged or imputed to interLATA calls placed through the 1-800-4USWEST platform and identify any contracts or tariffs governing those charges or fees.

USWC's Response to Interrogatory No. 21

For interLATA calls which originate, or which originate and terminate, in-region which are branded as Frontier calls and for interLATA calls which originate out-of-region and terminate in-region which are branded as USWLD calls, USWC charges Frontier the applicable originating and/or terminating switched access rates from the following tariff for all calls made by customers using the 1-800 dialing pattern option, because Frontier provides the underlying interLATA transport for all such interLATA calls between the calling party and the called party, because USWC delivers an interLATA call originating in-region to Frontier's POP (Point of Presence) for transport to the called party, and because Frontier delivers an interLATA call terminating within USWC's region from Frontier's POP to USWC for termination to the called party:

Tariff F.C.C. No. 5, Section 6

Response submitted by:

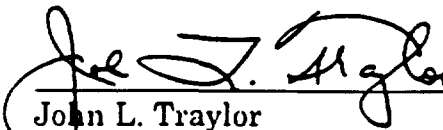
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Respectfully submitted,

U S WEST COMMUNICATIONS, INC.

Date: July 14, 1997

By:



John L. Traylor
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Its Attorney

CERTIFICATE OF SERVICE

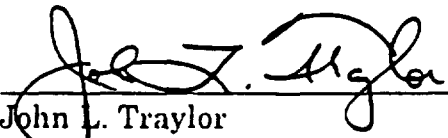
I certify that the foregoing Responses of U S WEST Communications, Inc. to
AT&T's First Set of Interrogatories were served upon:

Peter H. Jacoby, Esq.
AT&T Corp.
295 N. Maple Avenue
Room 3250J1
Basking Ridge, NJ 07920
VIA Facsimile: (908) 953-8360

with a copy to:

Deena M. Shetler, Esq.
Staff Counsel
Formal Complaints and Investigations Branch
Enforcement Division, Common Carrier Bureau
Federal Communications Commission
2025 M Street, N.W., Room 6331
Washington, D.C. 20554
VIA Facsimile: (202) 418-0236

this 14th day of July, 1997.



John L. Traylor

10TH STORY of Level 1 printed in FULL format.

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PR Newswire

March 12, 1997, Wednesday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 607 words

HEADLINE: Frontier Selected by U S WEST to Launch Long Distance Calling Card

DATELINE: ROCHESTER, N.Y., March 12

BODY:

U S WEST, one of the Regional Bell Operating Companies, announced today that it has chosen Frontier Corporation (NYSE: FRO) for the design and delivery of its first 1-800 calling card. Together, U S WEST and Frontier plan to initially produce more than four million calling cards for distribution throughout U S WEST's 14-state territory, including ten of the nation's fastest-growing cities. The exclusive multi-year agreement is expected to generate in excess of \$50 million in incremental revenue for Frontier.

Eager to take advantage of the opportunity to package its local services with enhanced services, U S WEST will introduce the new U S WEST 1-800 Express Calling Card into its product portfolio within the next month.

"We are particularly pleased with this agreement. It represents another step forward in our being able to offer customers one-stop shopping with complete integrated solutions to meet all their telecommunications needs," said Solomon D. Trujillo, president and CEO, U S WEST Communications. "Frontier provides a superior calling card product with a sweeping array of features at a competitive price that enriches our communications package."

U S WEST's entry into the 1-800 long distance calling card market will be supported by Frontier's newly expanded, patented enhanced services platform at its LinkUSA subsidiary. Frontier's state-of-the-art transport network and flexible billing services allows U S WEST to customize an extremely robust and expansive calling card program.

"Our carrier services group has the experience, technical expertise and ingenuity to create communications solutions for local telephone and Regional Bell Operating Companies entering new lines of business," said Kevin J. Bennis, president of Frontier Communications.

The agreement with U S WEST strengthens Frontier's leadership position in the calling card and enhanced telecommunications services market. "Our advanced network capabilities, combined with our commitment to finding new ways to create value for our customers, makes Frontier a very easy company to do business with. Today's announcement is a good example of how Frontier is benefiting from the new business opportunities that accompany the changing competitive

PR Newswire, March 12, 1997

telecommunications landscape," concluded Bennis.

U S WEST Communications Group (NYSE: USW) provides telecommunications services to more than 25 million customers in 14 western and midwestern states. The company is one of two major groups that make up U S WEST, a company in the connections business, helping customers share information, entertainment and communications services in local markets worldwide. U S WEST's other major group, U S WEST Media Group, is involved in domestic and international cable and telephony, wireless communications, and directory and information services.

Frontier Corporation is the parent company whose long-distance, local telephone and wireless operations provide a range of integrated communications services to customers. Frontier is a Fortune 500 company with annualized revenues approaching \$2.6 billion. With sales locations nationwide and nearly 8,000 employees, Frontier is the fifth-largest long distance company in the United States.

You can receive a faxed copy of any Frontier Corporation press release dating back to March 1996, free of charge, 24 hours a day. Call 1-800-758-5804, extension 762302. An automated system will provide you with instructions.

Visit Frontier Corporation's home page on the World Wide

Web: <http://www.frontiercorp.com>

SOURCE Frontier Corporation

CONTACT: Randal A. Simonetti, media, 716-777-5886, or Philip H. Yawman, investors, 716-777-6179, both of Frontier

LOAD-DATE: March 13, 1997

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PR Newswire

March 12, 1997, Wednesday

SECTION: Financial News

DISTRIBUTION: TO BUSINESS EDITOR

LENGTH: 566 words

HEADLINE: U S WEST Communications Announces Plan to Launch a New Long Distance Calling Card With Frontier Corporation

DATELINE: DENVER, March 12

BODY:

In one of its first steps to expand its long distance business, U S WEST Communications announced today it has chosen Frontier Corporation of Rochester, New York, for the deployment of its new U S WEST Express 1-800 Long Distance Calling Card. Together, U S WEST and Frontier plan to produce more than four million calling cards for distribution throughout U S WEST's 14-state territory, and will introduce the new calling card in mid-April.

"We are particularly pleased with this agreement. It represents another step forward in our being able to offer customers one-stop shopping, with complete, integrated solutions to meet all their telecommunications needs," said Solomon D. Trujillo, president and CEO, U S WEST Communications.

"We promised customers we would be bringing greater choice in their long distance services. Today, we're beginning to deliver on that promise," said Trujillo. He also emphasized that U S WEST Communications plans to file for interLATA Long Distance service later in the year throughout the 14-state territory.

The company's entry into the 1-800 long distance calling card market is supported by U S WEST Long Distance, a subsidiary of U S WEST Communications Group. In addition, the entry will be supported by Frontier's newly expanded, patented enhanced services at its LinkUSA subsidiary.

This multi-year agreement covers the transport components, certain long distance services and interactive voice response necessary for end-to-end calling card services.

The combination of Frontier's state-of-the-art transport network and U S WEST Communications' flexible billing services allows U S WEST to offer an extremely robust calling card program to complement the company's expansion of its long distance operations. Under this unique arrangement, U S WEST Long Distance will be responsible for managing all contracted vendors as well as monitoring the reliability of the network through its own Service Management Center.

PR Newswire, March 12, 1997

According to Kevin J. Bennis, president, Frontier Communications, "We are very pleased to be selected by U S WEST Communications to provide such a critical portion of its network. Frontier's carrier services group has the experience, technical expertise and ingenuity to create communications solutions for local telephone and Regional Bell operating companies entering new lines of business."

Frontier Corporation (NYSE: FRO) is the parent company whose long distance, local telephone and wireless operations provide a range of integrated services to customers. Frontier is a Fortune 500 company with annualized revenues approaching \$2.6 billion. With sales locations nationwide and nearly 8,000 employees, Frontier is the fifth-largest long distance company in the United States.

U S WEST Communications Group (NYSE: USW) provides telecommunications services to more than 25 million customers in 14 western and midwestern states. The company is one of two major groups that make up U S WEST, a company in the connections business, helping customers share information, entertainment and communications; services in local markets worldwide. U S WEST's other major group, U S WEST Media Group, is involved in domestic and international cable and telephony, wireless communications, and directory and information services.

SOURCE U S WEST Communications Group

CONTACT: Barbara Faulhaber, Public Relations Manager for US WEST Long Distance, 303-672-8392, Pager: 1-800-759-7243, PIN 20354; or David Beigie of U S WEST Communications, 303-896-5528, Pager: 303-821-1265

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Copyright 1997 The Denver Post Corporation
The Denver Post

May 3, 1997 Saturday 2D EDITION

SECTION: BUSINESS; Pg. D-02

LENGTH: 379 words

HEADLINE: Frontier chief promises profits Phone company, in Denver meeting, vows to fix 'operational issues'

BYLINE: By Stephen Keating, Denver Post Business Writer

BODY:

Frontier Corp., a New York telephone company with significant operations in Colorado, will overcome labor disputes and stiff competition to return to profitability, Frontier Chairman and CEO Ronald L. Bittner told shareholders at the company's annual meeting in Denver on Friday.

Frontier, based in Rochester, N.Y., is the nation's fifth-largest long-distance company, but has struggled of late. Its stock hit a 52-week low last week after a sharp drop in revenues and profits were reported for the first quarter. Also this week, Frontier reached a tentative labor accord with one of its unions after a contentious 16 months of negotiation.

"Let me assure you that our energies are focused on solving the operational issues that have led to the reduction in short-term earnings," Bittner told about 50 Frontier shareholders and company officials meeting at the Westin Hotel Downtown.

Most of the shareholders flew in from out of town, including a group of unionized Frontier workers who criticized Bittner and the company's labor policies.

"We can accomplish more working together," said Bittner, who appeared in good spirit though under treatment for a brain tumor.

Frontier's meeting in Denver gave Bittner the opportunity to highlight the company's Denver operations, which employ 800 people. Frontier also has the following local business deals in place:

It joined forces last year with Denver-based Qwest Communications to build a \$ 2 billion nationwide fiber optic phone network. Qwest, owned by railroad magnate Philip Anschutz, has since announced plans to go public.

US West Communications chose Frontier to provide 1-800 calling cards in March, a contract worth \$ 50 million to Frontier. Meanwhile, Frontier plans to challenge US West by providing local business phone service in Denver this summer.

Two local video-conferencing firms, ConferTech and Link VTC, are Frontier

5

The Denver Post, May 3, 1997 Saturday

subsidiaries.

Frontier reported net income of \$ 210 million on revenues of \$ 2.6 billion in 1996. Last week, the company reported a net loss of \$ 13.6 million on revenues of \$ 573 million, down from \$ 655 million in the same period a year ago. Frontier's stock dropped to \$ 15.50, less than half its share price a year ago. The stock closed Friday at \$ 16.375, up 25 cents.

LOAD-DATE: May 05, 1997

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Copyright 1997 New Mexican, Inc.
The Santa Fe New Mexican

October 10, 1997, Friday

SECTION: Business; Pg. D5

LENGTH: 487 words

HEADLINE: In brief

BODY:

Coronado branch to name postmaster

Santa Fe native J.R. Trujillo will be named postmaster of the Coronado Station post office on Pacheco Street today in a ceremony at 9 a.m.

He has been acting postmaster at Coronado since January.

Trujillo replaces Linda Modetz, who is now the customer-relations specialist at the main post office downtown.

Tourism groups seek state funds

A consortium of tourism-related groups have unveiled a plan calling for an additional \$ 3.6 million from the state Legislature in promotion and marketing funds for the state Department of Tourism.

The Tourism Public Policy Coalition consists of the Tourism Association of New Mexico, the New Mexico Hotel and Motel Association, the New Mexico Restaurant Association, New Mexico Municipal League, New Mexico Convention and Visitors Bureaus, New Mexico Tourism Commission and Ski New Mexico, as well as other groups.

Of the \$ 3.6 million, \$ 2 million would be used for additional advertising, \$ 500,000 for fulfilling additional tourist inquiries and \$ 1.1 million on community pass-through funds for local and regional promotions.

The additional funds are necessary because statistics for the first six months of 1997 show that tourist inquiries are down, passenger traffic at the Albuquerque airport is down, gross-receipts tax revenues around the state are off and food and beverage sales declined.

Capital firm holds business contest

The Anasazi Capital Corp., a Santa Fe venture capital firm, is sponsoring a "Best Business Plans in New Mexico" competition.

It will recognize what Anasazi President Tarby Bryant calls "excellence in the creation and implementation of a winning and financeable business plan."

Plans may be submitted starting Oct. 15 and ending Dec. 5.

The Santa Fe New Mexican, October 10, 1997

There is a submission fee of \$ 100 for each plan.
The winning plans will be honored at a ceremony and dinner on Jan. 24.

For more information, contact Bryant at 982-3050.

US West offers new calling card

US West Communications has introduced an express calling card to enable customers to make long-distance calls from pay phones, hotels and other locations.

Long-distance calls using the card cost 20 cents per minute, with an 80-cent surcharge for each call.

All existing US West customers will automatically receive the calling cards beginning this week.

PNM tries to block electric-rate case

ALBUQUERQUE Public Service Company of New Mexico is trying to block a pending electric-rate case, ordered by regulators, that would force PNM to justify charges to customers.

The case also could force rate cuts if PNM has been earning more than its authorized 11 percent rate of return for shareholders.

PNM contended in a motion filed Tuesday before the state Supreme Court that the Public Utility Commission's order for the rate case was illegal.

PNM is seeking the dismissal of the case.

Staff and wire reports

LOAD-DATE: October 10, 1997

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U.S. Wireline Card Calling

Service Markets

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I

Executive Summary

INTRODUCTION TO THE U.S. WIRELINE CARD CALLING SERVICES MARKET

This report analyzes the U.S. wireline card calling markets. To understand this market several parameters must be defined and used. Assumptions and results from this report can be compared with data gathered from other sources in the market without "guessing" how forecast estimates were calculated. In this report, the following apply:

- The U.S. wireline card calling services market consists of all retail providers of card calling services originating in the United States:
 - Excluding all wireless card calling services
 - Excluding revenue and volume at the wholesale level (thus, eliminating "double counting" at the wholesale level and reseller level)
- "Card Calling" is defined as a service of local or long distance telecommunication access through the use of a toll free number and a personal and/or card identification number. A physical card need not be issued by the service provider, but historically and typically one is issued.

For this report, the market had been segmented to facilitate a study focused on specific card services. The two main market segments are post-paid and prepaid card calling services. The prepaid market has been further sub-segmented into public switched telephone network (PSTN) and voice over Internet protocol (VoIP) service providers.

The U.S. wireline post-pay card calling market includes all retail providers of card telecommunication services via PSTN and/or VoIP in addition to billing end users for actual services used and/or surcharges for the billing period. End users in this market typically must meet providers credit requirements and/or post a deposit.

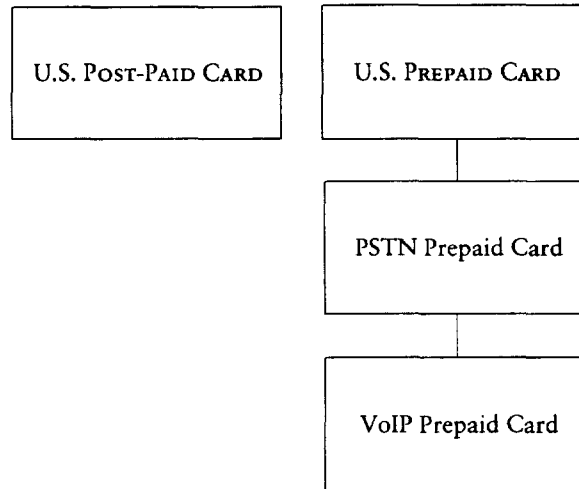
The U.S. wireline prepaid card calling market includes all retail providers of card telecommunication services via PSTN and/or VoIP on a prepaid basis. End users in this market are required to purchase a specific monetary or unit denomination card before access to the service is allowed and no credit requirements need be met. The prepaid market is the only

segment experiencing sustainable growth over the forecast period in wireline card calling due to substantial competitive pressure from wireless telephony.

Chart 1.1 presents the market segmentation for the U.S. wireline card calling market.

CHART 1.1

Total Wireline Card Calling Services Market: Market Segmentation (U.S.), 1999



Source: Frost & Sullivan

SUMMARY OF MAJOR FINDINGS

Market Growth, Opportunities, and Total Forecast

Figure 1-1 presents the U.S. total card calling services market summary from 1996 to 2006.

FIGURE I - I

Total Wireline Card Calling Services Market: Revenue Forecasts (U.S.), 1996-2006

Year	Post-Paid (\$ Billion)	Prepaid (\$ Billion)	Total Revenues (\$ Billion)	Revenue Growth Rate (%)
1996	6.17	0.73	6.90	---
1997	6.59	1.20	7.79	12.9
1998	6.84	1.89	8.73	12.1
1999	7.00	2.70	9.70	11.1
2000	6.99	3.26	10.25	5.7
2001	6.85	3.77	10.62	3.6
2002	6.72	4.12	10.84	2.1
2003	6.53	4.43	10.96	1.1
2004	6.34	4.68	11.02	0.5
2005	6.03	4.87	10.90	(1.1)
2006	5.73	4.98	10.71	(1.7)
CAGR (1999-2006):	(2.5)	7.9%	1.2%	

Key: CAGR = Compound Annual Growth Rate

Note: All figures are rounded; the base year is 1999. Source: Frost & Sullivan

The key drivers for the U.S. card calling services market are:

- Increased card promotion and distribution of prepaid cards through retail channels.
- Convenience of calling card use from transient locations.
- Increase in mobile workforce and business travelers.

Some of the leading restraints for this market include:

- Substitution of card calling by wireless telephony, both pre and post paid.
- Downward price pressure restrains revenue growth potential.
- Federally mandated pay telephone per call surcharge.

Analysis by Major Segment

U.S. POST-PAID CARD CALLING SERVICES MARKET

In 1999, the U.S. post-paid card calling services market generated revenues of \$7.00 billion and accounted for an estimated 72.2 percent of the total U.S. card calling services market. This market segment will experience moderate negative growth as indicated by the negative compound annual growth rate of 2.5 percent for the forecast period, 1999 through 2006. Revenue for the post-paid card calling services market will reduce to \$5.73 billion in 2006.

The leading drivers for the U.S. post-paid card calling services market are:

- Convenience of calling cards is stimulating revenues.
- Easy to remember calling card codes enable consumer use.
- Movement toward a cashless society.

The following major factors are restraining the growth of the post-paid card calling services market:

- Falling prices and greater accessibility of wireless telephony.
- Substitution of post-paid card calling with prepaid card calling services products.
- National wireless plans without long distance toll or roaming charges.

U.S. PREPAID CARD CALLING SERVICES MARKET

In 1999, the U.S. prepaid card calling services market generated approximately \$2.70 billion and accounted for an estimated 27.8 percent of the total U.S. card calling services market. The prepaid market will experience moderate growth as indicated by its compound annual revenue growth rate of 2.7 percent for the forecast period, 1999 through 2006. Revenues for the prepaid card services market are forecast to reach \$4.98 billion in 2006.

The leading drivers for the U.S. prepaid card calling services market are:

- Downward pressure on prepaid card rates stimulates consumer usage.
- Increased card promotion and distribution through retail channels.
- Point of sale activation increases card security and reduces consumer fear of inoperative cards.

The following factors are leading market restraints for the U.S. prepaid card calling market.

- Substitution of prepaid card calling by wireless telephony.
- Significant downward price pressure restrains revenue growth.
- Need for increased reliability.

Competitive Analysis

In 1999, there were over 900 participants competing in the U.S. card calling services market, of which a representative sample of 68 companies is presented in this report. Competition within the total market is intense with many competitors expanding through the formation of strategic alliances, mergers, and acquisitions.

Market participants are grouped into three tiers of competition. The first tier of competition consists of large interexchange carriers, such as MCI WorldCom and AT&T Corporation, and large prepaid card calling service providers; the second tier includes regional Bell operating companies and medium sized IXC's, and the final tier consists of credit card companies and small resellers of long distance services.

Companies participating in this market compete on service quality, card per minute toll rates, the reliability of the card service, and the ability to offer adequate customer care and support. Brand awareness and recognition in addition to channels of distribution also have significant influence on the resultant positions of these companies in the market.

Conclusions

The card calling services market is under tremendous competitive and price pressures throughout the forecast period (2000-2006). The only segment of the market with significant growth is expected to be VoIP based prepaid card calling services. This segment will fend off wireless substitution by offering lower domestic and international prices and still maintain profit margins due to a lower cost structure compared to traditional PSTN technology.

Major players in the post-paid card calling markets have actually increased rates in 1999 to maintain revenue, even with decreasing minute usage. Post-paid cards are expected to maintain higher price points than most wireline products throughout the forecast period. This may lead to a steady decrease in the volume of minutes, but revenue levels will remain significant.

Overall, the U.S. card calling market is expected to maintain, or slightly increase, revenues from 2000 to 2006 while significantly increasing the volume of minutes sold through card calling.

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